

Both parties address this factor in their briefs. The Union argues that the amounts of money in dispute are relatively quite small and implementation of its final offer would not hamper the Employer's ability to operate. The Union does not cite any state limitation on expenditures or revenues which would make it difficult for the Employer to implement its final offer.

The Employer cites the limitation imposed on all state technical colleges at Sec 38 16, Wis Stats, which prohibits them from levying a tax rate of greater than 1.5 mills for the purpose of "making capital improvements, acquiring equipment and operating and maintaining the schools of the district, except that the mill limitation is not applicable to taxes levied for the purpose of paying principal and interest on valid bonds or notes." The Employer notes that in each year from 1987-88 through 1994-95 it set its levy at 1.5 mills. In 1995-96 the Employer's mill rate was 1.49458. It asserts that this was a deliberate decision to reduce operational costs in order to allow for future growth.

The arbitrator does not need to analyze the Employer's reasons for levying a mill rate in 1994-95 which was below the amount allowable by statute. Having reduced the mill rate, however, the Employer cannot legitimately use that as an argument for having the "greatest weight" factor applied in its favor. Whatever economic problems it might cite, the Employer was in a position to levy a higher mill rate than it did in 1994-95. It chose not to do so. That was its decision. It was not a restriction placed upon it by state statute.

The Employer argues that the drop in the mill rate:

... simply cannot be viewed as a financial windfall which warrants adoption of the Union's more costly wage offer. To the contrary, the mill rate decrease is the result of a deliberate, calculated effort on the part of the Board to position the District so that it can respond to developing educational needs...

The arbitrator does not disagree. He does not view the drop in the mill rate as a reason necessarily to adopt the Union's final offer. He is only stating that the Employer's decision to lower the mill rate was its decision, not a restriction by the State.

The Employer also appears to argue that the "greatest weight" factor should be viewed in its favor because the Employer has limited its wage and benefit increases to 3.8%, which is the same figure contained in the provisions of Sec 111.70 dealing with "qualified economic offers" for public school teachers. Again, the Employer may have sound policy and economic reasons for the size of its offer but, as it recognizes, "the QEO concept does not apply specifically to technical colleges," and in the arbitrator's opinion, the QEO statute is not a basis for awarding "greatest weight" to the Employer's

final offer

In summary, while the Employer must deal with state revenue and spending limitations in formulating its budget, and in making its final offer in arbitration, it is the arbitrator's view that statutory limitations are not critical in this case because of the Employer's decision to levy taxes at a lower rate than was permitted by statute. The Employer certainly should not be penalized for doing that, but neither should it be rewarded by granting "greatest weight" to its final offer. It is the arbitrator's view that the "greatest weight" factor does not favor either party's final offer more than the other.

Factor (7g) of the statute requires that "greater weight" be given by the arbitrator "to economic conditions in the jurisdiction of the municipal employer than to any of the factors specified in subd. 7r [the other factors are discussed below]."

The Union argues that the economic conditions in the Employer's jurisdiction are very good. It cites a high level of economic growth in the Chippewa Valley. It cites figures in a newspaper article showing that the jobless rate fell in April, 1995 to 3.9%. (The arbitrator notes that the same article mentions relatively small employment growth in the nonfarm economy, and that Eau Claire "has a higher jobless rate than most other Wisconsin metropolitan areas"). The Union also cites a job placement report showing that the rate of placement of CVTC graduates "is the highest since 1977 and believed to be the highest since vocational schools were consolidated in 1967." The placement rate was 96% for 1994-95 graduates. The Union also cites a June, 1996 news report citing a "booming" manufacturing sector in the Eau Claire area.

With respect to the "greater weight" factor, the Employer cites figures from the Western Wisconsin Employment Review of January, 1996 showing that the Eau Claire metropolitan area had the lowest "average annual pay" in 1993 (\$ 20,627) and 1994 (\$21,151), and the second to lowest percentage change (2.5%) in that period, of the eleven metropolitan areas in the state. (The arbitrator notes that the median figure for 1993 was over \$24,000 and for 1994 it was over \$ 25000). Eau Claire ranked lowest among the metropolitan areas in 1992 (\$ 16,564) and 1993 (\$17,054) in "per capita personal income," below the 1992 average of over \$ 19,000 and the 1993 average of over \$ 20,000. A July, 1995 article shows that in 1992-93 per capita income in each of the three counties served by CVTC was below the State average, and only Eau Claire County's was above the average of counties in West Central Wisconsin.

The data cited by the parties persuade the arbitrator that although the jobs outlook may be improving, the economic conditions in the Eau Claire area in terms of income measures lag behind most other metropolitan areas in the state. There is no evidence in this case to suggest that local economic conditions are dire or that the implementation of either final offer would have any significant impact on the economic problems which do exist, since the cost differences of the total packages are quite

small, amounting to \$ 35, 940 in the first year and \$ 17, 970 in the second year

In the arbitrator's opinion, the "greater weight" factor favors the Employer's final offer more than the Union's final offer

Subsection 7r of 111 70(4)(cm) lists the other factors which must be given weight by the arbitrator. There is no issue with respect to several of them (a) lawful authority of the Employer; (b) stipulations of the parties, that part of (c) pertaining to the "financial ability of the [Employer] to meet the costs of any proposed settlement; (i) changes in circumstances during the pendency of arbitration; and (j) other factors normally taken into consideration

Factor (c) requires consideration of "the interests and welfare of the public .." The Union argues that its offer is in the public interest because it provides for wage rate increases which are closer to the increases in the cost of living than is the case with the Employer's offer, "thereby allowing the College to continue to attract and retain qualified support staff." The Employer argues that there is no need to implement the Union's final offer in order to attract and retain superior employees, since the wages paid to the bargaining unit are already "highly competitive" The Employer cites low turnover of employees, and large numbers of applicants for those positions which are posted externally.

The arbitrator will judge the parties' respective wage offers in relationship to the other factors Neither party has cited evidence which the arbitrator views as compelling enough to conclude that one final offer is more in the public's interest than the other.

Factor (d) requires consideration of "comparison of wages, hours and conditions of employment...with [those] of other employees performing similar services." Both parties agree that the appropriate primary comparability group consists of the four VTAE districts which are contiguous to CVTC; namely, Mid-State, North Central, Western WI and Indianhead It is undisputed that the following wage increases have been given for 1995-96 and 1996-97, the years at issue in the present dispute:

<u>District</u>	<u>Unit</u>	<u>1995-96</u>	<u>1996-97</u>	<u>2 yr compound increase</u>
Mid-State	Clerical	2.72%	2.65%	5.44%
North Cent.	Clerical	3.00	2.0 + 1.03/97	6.11
North Cent.	Technical	3.00	3.10	6.19
Western WI	Cler/Tech	2.90	not settled	
Indianhead	Cler/Tech	2.25	not settled	

Looking at percentage wage increases, the Union's offer of 2.5% each year, with a compound two-year increase of 5.06%, is closer to the increases given in the comparison districts than is the Employer's offer of 1.4% and 2.0% respectively with a 3.43% increase for the two-year period.

The Union argues that, "because all the contiguous. Districts provide similar fringe benefits to their support staff, the 'overall compensation need not be given any great consideration in this proceeding." The Employer disagrees [see discussion below of factor (h)]. The Employer states:

The District acknowledges that its final offer results in comparatively low wage increases. But it must be remembered that the reason for the low wage increases is the steep increase in insurance premiums which, under the contract, is fully paid by the District. The District experienced a 12% increase in health insurance premiums in 1995-96 alone. As might be expected, this sizable premium increase comprised a large part of the monies available under a 3.8% total package, with a 1.4% increase remaining to be applied to the wage schedule...

The parties agree also that surrounding counties, cities, school districts and universities are relevant comparisons. Percentage wage increase data for these entities also support the Union's final offer more than they support the Employer's offer. The Union's data show the following percentage wage increases for support staffs which have reached settlements in the surrounding jurisdictions:

	<u>1996</u>	<u>1997</u>	<u>2 Year</u> <u>Compound</u>
Chippewa County	2.50%		
Dunn County	2.0 + 1%(7/1)	2.0 + 1%(7/1)	6.13%
Eau Claire County	3.0	3.0	6.09
Chippewa Falls	3.0	3.0	6.09
Eau Claire	2.75		
Menomonie	3.0	3.0	6.09
Chippewa Schools	3.07	3.0	6.16
Eau Claire Schools	3.0		
Menomonie Schools	3.80	2.78	6.69
UW-Eau Claire	1.06	1.29	2.36
UW-Stout	1.06	1.29	2.36

The Employer argues that a more relevant consideration in comparing wages is the actual wage paid to employees, not percentage wage increases. The Employer presents minimum and maximum wage rates for several categories of employees in

each of the four contiguous districts, and the average wage for each category, and compares them to the parties' offers. The arbitrator has distilled these figures to the following chart (longevity pay is not included). Also, because only two of the four districts (North Central and Mid-State) have settled for 1996-97, the arbitrator has used only those two districts for all three years, thus assuring that the comparisons are between "apples" and "apples." The arbitrator has also presented only those classifications which are employed in both districts. Also, in computing the figures, where the Employer's exhibits included more than one title in a category, the arbitrator used the average of the rates for those titles.

Comparison of Average of North Central and Mid-State Districts with CVTC

	<u>1994-95</u>		<u>1995-96</u>		<u>1996-97</u>	
	<u>Min \$</u>	<u>Max \$</u>	<u>Min \$</u>	<u>Max \$</u>	<u>Min \$</u>	<u>Max \$</u>
Clerk-Typist						
Avg CVTC	8 06	9 75	8 29	10 02	8 52	10 30
Er	8 97(+ 91)	10 65(+ 90)	9 08(+ 79)	10 80(+ 88)	9 30(+ 78)	11 02(+ 32)
Un	same	same	9 20(+ 91)	10 92(+ 90)	9 43(+ 91)	11.19(+ 49)
Financial Aid Clerk						
Avg CVTC	8 66	10 45	8 91	10 74	9.16	11 05
Er	9.40(+ 74)	11 16(+ 71)	9 52(+ 61)	11 32(+ 58)	9 75(+ 59)	11 55(+ 50)
Un	same	same	9 64(+ 73)	11 44(+ 70)	9 89(+ 73)	11 73(+ 68)
Payroll Clerk						
Avg CVTC	9 83	11 83	10 12	12.16	10 41	12 51
Er	9 40(- 43)	11.16(-.67)	9 52(- 60)	11 32(- 84)	9.75(- 66)	11 55(- 96)
Un	same	same	9 64((- 48)	11 44(- 72)	9 89(- 52)	11.73(- 78)
Secretary (departments)						
Avg CVTC	9 20	11 50	9 46	11 46	9 73	11 79
Er	9 40(+ 20)	11.16(- 34)	9 52 (+ 06)	11 32(- 14)	9 75(+ 02)	11.55(- 24)
Un	same	same	9 64(+ 18)	11 44(- 02)	9 89(+ 16)	11 73(- 06)
Accounts Payable Clerk						
Avg	9 42	11 34	9 69	11 66	9 97	12 00

CVTC						
Er	9 83(+ 41)	11 67(+ 33)	9 95(+ 26)	11 83(+ 17)	10 15(+ 18)	12.07(+ 07)
Un	same	same	10 08(+ 39)	11 96(+ 30)	10 34(+ 37)	12 26(+ 26)

Computer Technician; Computer Operator/Programmer

Avg	10 46	12 56	10 76	12.92	11 07	13 30
CVTC						
Er	11 11(+ 65)	13 19(+ 63)	11 25(+ 49)	13 37(+ 45)	11 48(+ 41)	13 64(+ 34)
Un	same	same	11 40(+ 64)	13 52(+ 60)	11 66(+ 59)	13 86(+ 56)

In these comparisons, using contiguous technical college districts, both parties' final offers provide wage rates, which are above the average wages paid by the comparison districts for 1995-96 and 1996-97 in a majority of the classifications shown. Similarly, in 1994-95, the last year prior to the years of the contract now in dispute, the Employer paid wages above what was paid in these comparison districts, in a majority of the classifications shown.

The Employer also presented wage data for the broader public sector labor market, for secretary and clerk-typist positions. There are difficulties inherent in using comparisons of hourly wage rates for different jurisdictions and attaching too much significance to them, since one cannot be sure that the duties are the same or similar from one jurisdiction to another. Again, in order to present "apples" to "apples" comparisons, the arbitrator has put together the following chart showing the secretary classification in Chippewa Falls Schools, Menomonie Schools, UW-Eau Claire & UW -Stout, City of Menomonie, Dunn County and Eau Claire County. The arbitrator has not presented data for other category of employees because of the difficulty of analysis where not all of the jurisdictions employ the same titles and where data are not complete for each of the years.

Secretary (broader public employee labor market)

Avg.	9 39	11.22	9.64	11 53	9.88	11 81
CVTC						
Er	9 40(+ 01)	11.16(-.06)	9.52(- 12)	11 32(- 21)	9 75(- 13)	11 55(- 26)
Un	same	same	9 64(0)	11 44(- 09)	9 89(+ 01)	11 73(- 08)

The Union's final offer leaves the 1996-97 wage differentials between the bargaining unit and the comparison groups closer to what those differentials were in 1994-95 than does the Employer's offer. The Employer's offer has reduced the wage gap in most instances more than the Union's offer. That is, where the Employer was paying higher wages than the average in 1994-95, it still will be paying higher than average wages in 1995-96 and 1996-97, but the differential will not be as much if its final offer

is implemented. The Union's offer maintains the *status quo* in relationship to the other districts more than does the Employer's offer.

The Employer has not demonstrated persuasively why its wage increases should be relatively smaller than those given by the comparison groups. If wages were all that were at issue in determining which final wage offer should be awarded, the Union's final offer would appear to be the more reasonable one based upon the comparison data, but there are other considerations.

The Employer emphasizes the importance of considering total packages given to employees by their employers. The limited comparative information on total packages presented by the Employer shows, for districts which have settled, the following package increases:

	1995-96	1996-97
Indianhead VTAE	5.13%	
Northcentral VTAE	3.8	3.8
Mid-State VTAE	4.07	3.76
Western VTAE	4.25	
Eau Claire Schools	4.1	
Menomonie Schools	3.8	3.8

The Employer's final offer results in a package increase of 3.8% in each year of the contract. This package is closer to the other known package settlements than is the Union's offer of 4.8% the first year and 4.2% the second year. The Union has not demonstrated persuasively why it should be awarded a greater package increase than other comparable employees have accepted.

Factor (e) requires consideration of "comparison of the wages, hours and conditions of employment...with [those] of other employees generally in public employment in the same community and in comparable communities." The wage rates and percentage wage increases in other public sector jurisdictions in the geographical area have already been discussed. Another relevant group of employees are those who also work for CVTC and are represented in other bargaining units.

The Union's focus is on percentage wage increases. In its brief, it states:

Except for 1990-91 wage increase difference due to an arbitrator's decision, all employee units have received the same wage percentage increases...the difference noted in 1991-93 salary increases is due to the faculty negotiating improvements in their health insurance coverage that resulted in a .3%

decrease in their salary increase. The pattern has not been to settle contracts based on package totals, but rather fair and equitable salary increases to all. That's not to say the parties have not been aware of package costs in past negotiations. The Union is not suggesting a comparison with the faculty is appropriate, however a comparison to prior bargaining patterns among the internal comparable units is. If similarities existed between the units before, why then, would or should the Board offer substantially less to the staff and clerical unit now?

The data presented only partially bear out the Union's contention. In 1990-91, the year the Union was involved in an arbitration, there were not uniform wage increases given to other unionized groups of employees. The custodial-maintenance bargaining unit got a 3% raise while faculty received 4.6%. Wage increases were uniform from 1991-92 through 1994-95

In 1995-96 the faculty received 2%. Within the custodial-maintenance unit, the wage increases were not uniform. The maintenance employees received 2%, but the employees in the custodial classification and maintenance assistant classification received no increase, and those in the custodial maintenance classification received .5%. The Union's final offer for the first year is 2.5%, which is not the same as received by either of the other two bargaining units. The wages offered to employees for 1996-97 are also not uniform. The faculty received a 2.74% increase, while the custodial-maintenance unit received a 2.4% increase. The Union's final offer is 2.5% which is not the same as received by either of the other two bargaining units.

For 1995-96 the Employer is offering a 1.4% wage increase, which is approximately half a percent below what it is offering to the other employees. The Union is offering a 2.5% increase, which is about half a percent more than what has been offered to the other employees. Considering only the wage increases in relationship to what the other groups of CVTC employees are receiving, the arbitrator does not see that there is clear justification for supporting one party's offer more than the other. For 1996-97 the Union's offer (2.5%) is closer than is the Employer's offer (2.0%) to what the other groups of employees are receiving (2.4%, and 2.74%).

If only wage increase percentages were being considered, the Union's final offer would be closer than the Employer's offer to the increase given to the two other bargaining units over the two year period.

The Employer argues, correctly, that the wage increases given must be viewed in the context of the total economic package. For 1995-96 and 1996-97 the Employer has offered a total package of 3.8% to both the faculty and custodial-maintenance units. This is the same percentage increase offered to the bargaining unit in this proceeding.

The Union's package offer for the two years is 4.8% and 4.2% respectively

The Union has not presented any persuasive justification for its position that the bargaining unit should receive a significantly higher total package increase than that given to the other groups of unionized employees. It emphasizes that in the past the parties' focus has been on bargaining wage increases, not package increases, and that the percentage wage increases given to the various units have been the same or approximately so. Thus, even if it is the case that the Union's proposed package increases are higher than those being given to other bargaining units, the Union argues that this is justified because of the wage increases in its final offer. Also, it sees no justification for the Employer's final offer of wage increases significantly below those given to employees in the other bargaining units.

The Employer is increasing the economic support of each bargaining unit by the same percentage in each year. This approach furthers stability in the collective bargaining process, since it discourages one group of employees from holding out and not settling in order to attempt to gain greater increases than received by other bargaining units. There may be sound reasons why one bargaining unit should get more generous treatment in terms of total package than others in the same jurisdiction, but in the present case the Union has not demonstrated why that should be so.

Although the arbitrator is sympathetic to the Employer's arguments concerning keeping total packages approximately the same or equal among all of its bargaining units, there is no indication in the record about what has been done historically in this respect. The Union presents no data on total package increases, and the Employer shows this data only for 1995-96 and 1996-97. If the Employer had given the same package increase to all units in years past, wouldn't it have presented data to this effect? The lack of data supports the Union's contention that until this round of bargaining the parties' emphasis was on wage increases, not total package increases.

Factor (f) requires consideration of "comparison of ...wages, hours and conditions of employment...with [those]...of other employees in private employment in the same community and in comparable communities."

The Employer surveyed 74 businesses in the three county area which employ 100 employees or more. It received 34 responses, of which 5 were anonymous. The survey requested, among other things, the wage rate paid to each of 8 job titles. The arbitrator is fully aware of the limitations of such surveys, both because there is no simple way to check on their accuracy and because there is no way of knowing that a job with a title in one company is essentially the same job as one with the same title in another company. Nonetheless, these are the only data presented to the arbitrator, and the statute requires that private sector data be considered.

The following chart shows the average wage rate paid by the respondents for each classification. The numbers in parentheses are the numbers of respondents having

that classification. The chart also shows the wage rate for 1995-96 which would result from implementation of the Employer's offer. Were they shown, the wage rates under the Union's final offer would be higher:

<u>Title</u>	<u>1996 Private Sector Avg</u>	<u>1995-96 Employer Offer</u>
Cashier	6.25 (11)	11.32
Clerk-Typist	7.22 (8)	10.80
Receptionist	7.94 (21)	11.32
Secretary	8.56 (15)	11.42 (av of 2 titles)
Admin. Secretary	9.99 (22)	12.51
Accts Payable Clerk	9.07 (26)	11.83
Computer Programmer	13.36 (11)	13.37
Network Analyst	14.95 (8)	17.23

Notwithstanding the limitations of using such survey data, it appears that the wage rates paid by the Employer for these titles are significantly higher than what is paid, on average, in the private sector, with the exception of Computer Programmer, where the rates are comparable. The Employer notes correctly that this disparity increases if benefits are considered, and in particular payment of health and dental insurance premiums. The Employer pays 100% of these premiums, far higher than what is typically paid by the responding employers.

The Union did not present private sector data. It argues, based upon the Employer's survey data, that the range of wage increases for 1996 for these private employers was from 2.5% to 15.00% and that "the vast majority" were between 3.00% and 5.00%. The Union is correct that these percentage wage increases favor its final offer, but this argument is not persuasive in a context in which private employees, doing work which is arguably comparable to the work done by bargaining unit employees, receive substantially lower rates of pay and benefits.

Factor (g) requires consideration of "the average consumer prices for goods and services...the cost of living." The Union presents data showing that for the North Central Region of the United States, the All Urban Consumers index rose 3.5% from May, 1994 to May, 1995, and it rose 3.0% from May, 1995 to May, 1996. The index figures for the United States rose 3.2% and 2.9% respectively. The Union asserts that in comparison to these figures, its final offer is more reasonable than the Employer's final offer. The Union does not explain the basis for its assertion.

The Employer presents monthly All Cities data for Urban Wage Earners and Clerical Workers from January, 1994 through May, 1996. The parties' Agreement runs from July 1, 1995 through June 30, 1997. When they began their bargaining for the new Agreement, the most relevant consideration of cost of living would have been what had immediately preceded that period. By averaging the monthly average increase figures from July, 1994 through June, 1995, one can see that the average increase in

cost of living for the year prior to the start of bargaining was 2.91%. If one uses the Employer's data for July, 1995 through May, 1996 one can see that the average increase for the 11 months of that period is 2.68% over the previous year.

Whether one uses the indices provided by the Union or the Employer, it is clear that the economic package increase of 3.8% offered by the Employer in each of the two years of the contract is above the rate of increase in the cost of living for the relevant periods. The Union's total increases are above that. Thus, both parties offers are above the cost of living changes, but the Employer's offer is closer to it. In its analysis the Union seems to have only compared the proposed wage increases to the cost of living increases. The arbitrator shares the Employer's view that a more relevant comparison is the increase in total package compared to the increase in cost of living.

Factor (h) requires consideration of "the overall compensation presently received by the employees." The Union argues that all of the contiguous VTAE districts have similar fringe benefits, and thus the overall compensation factor is not an issue in this dispute. The Employer argues that factor (h) should be viewed as "overwhelmingly" supporting its final offer. It points mainly to the longevity benefits which bargaining unit employees receive which "...add thousands of dollars to employees' take-home pay" and which are much more generous than the longevity benefits paid in comparable districts.

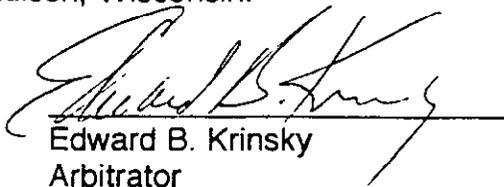
The Employer appears to be correct that the longevity benefit given to the bargaining unit is a generous one and more generous than those benefits given to employees in comparison districts. Also, as mentioned above, the limited comparison data with respect to total package increases indicates that the increases in total compensation offered by the Employer are more in line with the increases given by comparison jurisdictions than are the increases offered by the Union. Factor (h) thus tends to support the Employer's final offer more than the Union's final offer.

The arbitrator must select one final offer. Although the Union's final offer is clearly favored if only wage increases are considered, in relation to both internal and external comparisons with other public sector employees, the Employer's final offer is clearly favored if total packages are considered when making these comparisons. When the other statutory factors are considered, those factors which favor one final offer more than the other favor the Employer's final offer more than the Union's final offer. This is the case with the "greater weight" factor of "economic conditions in the jurisdiction of the municipal employer", as well as the factors pertaining to private sector comparisons, the cost of living and overall compensation. For these reasons, the arbitrator has selected the Employer's final offer.

Based upon the above facts and discussion, the arbitrator hereby makes the following AWARD:

The Employer's final offer is selected.

Dated this 17 day of September, 1996 at Madison, Wisconsin.


Edward B. Krinsky
Arbitrator